



Village of Ruidoso

October 30, 2009

Subcommittee on Water Resources and Environment
Committee on Transportation and Infrastructure
B-376 Rayburn House Office Building
Washington, DC 20515

RE: Village of Ruidoso/City of Ruidoso Downs Regional Wastewater Treatment Plant

Dear Ladies and Gentlemen:

On the behalf of the citizens of the Village of Ruidoso and the City of Ruidoso Downs, I would like to thank you and your colleagues in the U.S. House and the U.S. Senate for your assistance in securing approximately \$6.6 million from the American Recovery and Reinvestment Act (ARRA) for the construction of our new Regional Wastewater Treatment Plant. This issue of building this facility has dominated our lives in the Upper Honda Valley for a number of years and I would like to say that we are now under construction. The following is a short discussion of this project and the challenges we faced in dealing with the issue.

Project Description and Schedule:

The project is intended to replace an existing regional wastewater treatment plant with a new facility that meets all of the requirements of our very stringent EPA NPDES permit. This facility currently provides services to the Village of Ruidoso, the City of Ruidoso Downs, and the Mescalero Apache Reservation. The current wastewater treatment plant is approximately 30 years old and has a limited capacity of only 0.54 MGD. The proposed new plant will have a capacity of 2.5 MGD in Phase 1, and an ultimate processing capacity of 3.75 MGD in Phase II. Phase 1 is scheduled thru 2015 and Phase II through 2030. More importantly, the new plant will have the capacity to meet EPA standards of 0.1 Mg/L for phosphorous and 1.0 Mg/L for nitrogen. We are not aware of any other local government, State, or Federal jurisdiction that has both of these standards included in their NPDES Permit. The plant is being built to these capacities in order to meet the nutrient requirements of the NPDES Permit, as well as being able to provide sewer service to the significant numbers of tourists and part-time residents that visit during the summer months and other holiday times.

As a result of two law suits, the Village is required to finish construction by December, 2010. The first phase (Phase 1A) is the sludge handling facility and was completed by October, 2009. Phase 1B is the filtration part of the treatment facility and is also under construction.

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Funding:

The total cost of the project will be \$36 million. This cost is being born by a total population of approximately 10,000 permanent residents that can increase to over 35,000 people on specific holidays and weekends. In order to meet this very significant funding requirement to build the facility, the Village and the City needed to rely on a number of funding sources.

The first major funding source was obtaining a series of grants from both the EPA and State of New Mexico appropriations totaling around \$8.5 million for both communities. The second funding sources has been General Obligation bonds in the amount of \$12.6 million for Ruidoso and \$500,000 for Ruidoso Downs. As a result, the total bonding capacity of each jurisdictions has now been completely utilized. The third funding source has been loans obtained thru the USDA in the amount of \$8.7 million for Ruidoso, and \$1 million for Ruidoso Downs. The final component has been the \$6.6 million allocated thru the ARRA program. (See Attachment)

In order to repay these bonds and loans, the residents of the Village of Ruidoso have added a "wastewater fee" that is dedicated to repayment. These fees are financially very significant and represents approximately a 34% increase for a typical residential water and sewer bill. Given the general state of the economy, these additional fees are a burden on many of our residents.

Unforeseen Problems and Opportunities:

This project included a number of issues which needed to be addressed in order for the project to be to be commenced. The first issue was the completion of the actual design. The project initially was designed to address phosphorous, and only when the design was approximately half way thru to complete, did the design have to be further modified to address the new nitrogen standard.

Other issues included having to purchase a large portion of the site from the US Forest Service. This action was unanticipated but completed successfully and within the construction timeline needed with the full cooperation and assistance of the Lincoln National Forest part of the US Forest Service.

While there were unforeseen problems, the project has created potential opportunities that may provide long-term solutions to water availability in this part of the Hondo Valley, namely, water reuse. In this type of program, effluent is intercepted along the

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Main Interceptor Line via scalping plant(s), the solids are then sent to the Regional Wastewater Treatment Plant, and the treated grey water directed to a series of potential users and uses, including recharge of the Grindstone and Alto Reservoirs, aquifer recharge, and irrigation of golf course and other public open spaces. This type of system will allow the Village to use the same gallon of water multiple times versus the single use paradigm in place now.

This type of strategy also helps to minimize the impact of the current and any future NPDES Permit by reducing the amount of effluent being piped into the Rio Ruidoso. Limiting outflows into the Rio Ruidoso will make it easier to comply with those discharge standards. Eliminating all flow would eliminate any need for a NPDES Permit altogether in the future.

Conclusions:

We, the Village of Ruidoso and the City of Ruidoso Downs, would like to let the membership of the US House of Representatives and the US Senate know how much the residents of the Valley appreciate their assistance and support thru the funding provided by the ARRA program. We also want to tell the membership that the residents here appreciate the value of water and its conservation, and that we are working diligently to maximize the sustainability of its value to our communities. If anyone has any additional comments or question, please feel free to contact me at your earliest convenience at (505) 258-4343. Again, thank you.

Respectfully,



Lonnie R. Nunley, Mayor
Village of Ruidoso, New Mexico

CC: Honorable Senator Jeff Bingaman
Honorable Representative Harold Teague
Members of the Ruidoso Village Council
Debi Lee, Village Manager, Ruidoso
File

Funding Information Regional Wastewater Treatment Plant:

<u>Entity:</u>	<u>Source:</u>	<u>Amount:</u>	<u>Date Obtained:</u>
Village	General Obligation Bond	\$12,600,000	2007
of	USDA Loan	\$8,755,000	2009
Ruidoso	New Mexico Environment Dept. Loan	\$100,000	2009
	New Mexico Environment Dept. Grant (ARRA)	\$3,300,000	2009
City of	General Obligation Bond	\$500,000	2007
Ruidoso	USDA Loan	\$1,000,000	2009
Downs	New Mexico Environment Dept. Loan	\$100,000	2009
	New Mexico Environment Dept. Grant (ARRA)	\$2,900,000	2009

Grants:

State of New Mexico Special Appropriations Totalling:	\$5,028,000	2003 - 09
Federal Grants (EPA)	\$3,248,209	1996 - 97